



Department of Justice

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JUSTICE DEPARTMENT WILL NOT CHALLENGE PROPOSAL BY A NEW JERSEY ANTI-MONEY LAUNDERING CONSULTING COMPANY

WASHINGTON — The Department of Justice announced today that it will not challenge a proposal by a New Jersey anti-money laundering consulting company, External Compliance Officer Inc. (ECO), to collect and distribute information relating to the termination of money transmitter agents. Money transmitters are companies that provide electronic money transfer services to individuals. Agents for money transmitters receive and process money from the senders and distribute money to recipients. The Department said that the proposed service is not likely to reduce competition and appears to serve legitimate objectives.

The Department's position was stated in a business review letter from Thomas O. Barnett, Assistant Attorney General in charge of the Department's Antitrust Division, to the president of ECO. ECO is a privately-held corporation providing anti-money laundering consulting services to financial institutions.

ECO requested a business review letter from the Antitrust Division expressing its enforcement intentions with respect to a proposed database that would allow money transmitters to determine if a prospective agent has ever had a relationship terminated with another money transmitter and, if so, the reason why that relationship was terminated. By listing agents who have been terminated by money transmitters and the reason for the termination, ECO's proposed database will offer money transmitters a new tool to ensure compliance with anti-money laundering and anti-terrorist financing laws and regulations. ECO will provide an agent with written notice if it is added to the database, and the agent may request a copy of the record in the database.

"The proposed information collection and dissemination activities are not likely to reduce competition," Barnett said. "In fact, information of this type may serve to facilitate more efficient compliance with prohibitions against money laundering and terrorist financing."

Under the Department's business review procedure, an organization may submit a proposed action to the Antitrust Division and receive a statement as to whether the Division currently intends to challenge the action under the antitrust laws.

A file containing the business review request and the Department's response may be examined in the Antitrust Documents Group of the Antitrust Division, U.S. Department of Justice, 450 Fifth Street, NW, Suite 1010, Washington, D.C. 20530. After a 30-day waiting

period, the documents supporting the business review will be added to the file, unless a basis for their exclusion for reasons of confidentiality has been established under the Business Review Procedure.

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